

Message Text

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ACTION L-03

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FM AMEMBASSY COPENHAGEN

TO SECSTATE WASHDC IMMEDIATE 9759

C O N F I D E N T I A L COPENHAGEN 2757

E.O. 11652: GDS

TAGS: ENRG

SUBJECT: ENERGY/IEP: DRAFT LETTER TO OIL COMPANIES

FOR LEGAL ADVISERS OFFICE, ATTN: WALTER HOPKINS

GUNNAR RIBERHOLDT OF DANISH FONOFF HAS ASKED FOLLOWING DRAFT LETTER
TO OIL COMPANIES BE TRANSMITTED IMMEDIATELY TO DEPARTMENT WITH REF-
ERENCE TO OCT. 1 TELECON BETWEEN HOPKINS AND RIBERHOLDT.

WE UNDERSTAND DEPARTMENT WILL SEND RESPONSE TO DRAFT TEXT BY OPENING
OF BUSINESS OCTOBER 2. TEXT OF DRAFT LETTER AND ANNEX FOLLOW:

QUOTE

DEA MR.:

AS YOU UNDOUBTEDLY KNOW, THE WASHINGTON ENERGY CONFERENCE
IN FEBRUARY 1974 ESTABLISHED AN ENERGY COORDINATING GROUP,
CONSISTING OF EIGHT COUNTRIES OF THE EUROPEAN COMMUNITY,
CANADA, JAPAN, NORWAY AND THE UNITED STATES.

THE GROUP HAS AGREED UPON THE TEXT OF AN AGREEMENT ON AN
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INTERNATIONAL ENERGY PROGRAM TO BE IMPLEMENTED BY AN

INTERNATIONAL ENERGY AGENCY. THIS TEXT IS NOW BEING CONSIDERED BY GOVERNMENTS. THE PROGRAM STIPULATES, AMONG OTHER THINGS,

- ALLOCATION OF AVAILABLE OIL IN EMERGENCIES,
- THE COLLECTION OF INFORMATION NECESSARY FOR THE EFFICIENT OPERATION OF EMERGENCY MEASURES,
- THE ESTABLISHMENT OF A GENERAL INFORMATION SYSTEM ON THE INTERNATIONAL OIL MARKET IN ORDER TO PROMOTE GREATER UNDERSTANDING BY GOVERNMENTS OF THE OPERATIONS OF OIL COMPANIES,
- THE CREATION OF A FRAMEWORK FOR CONSULTATION BETWEEN GOVERNMENTS OF CONSUMER COUNTRIES AND OIL COMPANIES.

IT IS APPARENT TO MEMBERS OF THE GROUP THAT IMPLEMENTATION OF THE PROGRAM MAY, ESPECIALLY IN TIMES OF EMERGENCY, HAVE A SIGNIFICANT EFFECT UPON VARIOUS ASPECTS OF THE INTERNATIONAL OIL INDUSTRY, AND WILL REQUIRE A HIGH DEGREE OF COOPERATION AND CONSULTATION BETWEEN GOVERNMENTS AND OIL COMPANIES. THE GROUP HAS THEREFORE ASKED ME, AS ITS CHAIRMAN, TO INVITE YOUR COMPANY AND OTHERS TO PARTICIPATE IN A MEETING WITH MEMBERS OF THE GROUP. THE PURPOSE OF THIS MEETING WOULD BE TO DISCUSS WAYS IN WHICH THIS COOPERATION MAY BE EFFECTIVELY IMPLEMENTED AND TO IDENTIFY AND DISCUSS THOSE PARTICULAR ASPECTS OF THE PROGRAM WHICH WILL REQUIRE PARTICIPATION BY OIL COMPANIES.

THE AGENDA FOR SUCH A MEETING WOULD BE AS FOLLOWS:

I. ELICITATION OF THE COMPANIES' GENERAL ATTITUDE REGARDING THE PROGRAM AS REFLECTED IN THE TEXT OF THE AGREEMENT ENCLOSED HERewith.

II. DISCUSSION OF THE COMPANIES' ROLE WITH RESPECT TO PARTICULAR ASPECTS OF THE PROGRAM, SPECIFICALLY:

- A) ALLOCATION OF AVAILABLE OIL IN EMERGENCIES
- B) INFORMATION RELEVANT TO EMERGENCY MEASURES
- C) THE GENERAL INFORMATION SYSTEM
- D) THE FRAMEWORK FOR CONSULTATION BETWEEN CONSUMER COUNTRIES AND INTERNATIONAL OIL COMPANIES.

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III. PRACTICAL ARRANGEMENTS FOR COOPERATION BETWEEN THE AGENCY AND OIL COMPANIES.

A MORE DETAILED LIST OF THE SORT OF TOPICS WHICH MAY BE CONSIDERED AT THE MEETING IS ATTACHED.

AT MY REQUEST, THE GOVERNMENT OF THE UNITED KINGDOM HAS MADE ARRANGEMENTS FOR THE MEETING TO BE HELD IN LONDON

ON OCTOBER 16 AND 17 AT RIVERWALK HOUSE, MILLBANK,
LONDON S.W.1, COMMENCING AT 10:30 A.M. ON OCTOBER 16.
I SHOULD BE HAPPY IF YOU WOULD INDICATE TO ME THE WILLING-
NESS OF YOUR COMPANY TO PARTICIPATE AND THE NAMES AND
TITLES OF THE PERSONS WHOM YOU WOULD EXPECT TO REPRESENT
YOUR COMPANY AT THE MEETING.

(ALLPROPRIATE SALUTATION)

INFORMAL CONSULTATIONS BETWEEN ECG MEMBERS AND CERTAIN
INTERNATIONAL OIL COMPANIES:

DETAILED LIST OF ISSUES PROPOSED FOR DISCUSSION

I. ELICITATION OF THE COMPANIES'GENERAL ATTITUDE REGARDING
THE INTERNAIONAL ENERGY PROGRAM.

II. THE COMPANIES' ROLE WITH RESPECT TO PARTICULAR ASPECTS
OF THE PROGRAM.

A. ALLOCATION OF AVAILABLE OIL IN EMERGENCIES.

-. THE EFFECTS OF OIL SUPPLY CRISES, E.G. THE 1973-74
CRISIS ON INTERNATIONAL OIL DISTRIBUTION PATTERNS:

- EXAMINATION OF THE PROGRAMS' ALLOCATION SCHEME IN
LIGHT OF PREVAILING INTERNATIONAL OIL DISTRIBUTION
PATTERNS:

- METHODS OF CALCULATING THE AMOUNT AND TYPE OF AVAILABLE
OIL SUPPLIES WHICH CAN BE USED IN AN EMERGENCY:

- SUGGESTIONS FOR ASSURING THE SUCCESSFUL EXECUTION OF
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ALLOCATION MEASURED, INCLUDING THE NUMBER AND TYPE
OF PERSONNEL NEEDED IN THE INTERNATIONAL ENERGY AGENCY
AND

- THE GENERAL NATURE OF POSSIBLE PRICING PROBLEMS WHICH
MIGHT BE ANTICIPATED IN CONNECTION WITH ALLOCATION
MEASURES.

B. INFORMATION RELEVANT TO EMERGENCY MEASURES.

- WHICH OF THE DATA REQUIRED ARE COMPANIES NOW PROVIDING
TO PARTICIPATING COUNTRIES:

- WHICH COUNTRIES ARE RECEIVING WHAT DATA:

- IS THE FORM IN WHICH ANY RELEVANT DATA NOW BEING PROVIDED COMPATIBLE FOR ASSIMILATION INTO THE INFORMATION SYSTEM ENVISAGED BY THE AGREEMENT:

- HAVE SUBSTANTIAL DIFFICULTIES BEEN ENCOUNTERED IN PROVIDING DATA TO PARTICIPATING COUNTRIES, FOR EXAMPLE IN TERMS OF ADMINISTRATIVE BURDENS AND DUPLICATION OF EFFORT, AND

- DO COMPANIES CONSIDER THAT ADDITIONAL DATA MIGHT BE REQUIRED FOR THE ALLOCATION MEASURES TO FUNCTION EFFECTIVELY OR THAT SOME DATA LISTED MAY BE UNNECESSARY TO MAKE THE SYSTEM EFFECTIVE.

C. THE GENERAL INFORMATION SYSTEM

-TO WHAT EXTENT ARE PARTICIPATING COUNTRIES PRESENTLY REQUIRING THE COMPANIES TO PROVIDE THE INFORMATION REQUIRED:

- IN WHAT FORM IS THE DATA PROVIDED: AND

- ANY DIFFICULTIES ENCOUNTERED UNDER INFORMATION REQUIREMENTS IN PARTICIPATING COUNTRIES.

D. THE FRAMEWORK FOR CONSULTATION BETWEEN CONSUMER CONFIDENTIAL

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COUNTRIES AND OIL COMPANIES.

EXCHANGE OF VIEWS ON APPROPRIATE MEANS FOR ESTABLISHING AND IMPLEMENTING THE FRAMEWORK FOR CONSULTATION WITH OIL COMPANIES ENVISAGED IN THE AGREEMENT.

III. PRACTICAL ARRANGEMENTS FOR COOPERATION BETWEEN THE AGENCY AND OIL COMPANIES.

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